



General Assembly

January Session, 2001

Amendment

LCO No. 6061

Offered by:

REP. POWERS, 151st Dist.

REP. PRELLI, 63rd Dist.

REP. SHEA, 112th Dist.

To: Subst. House Bill No. 6701

File No. 594

Cal. No. 403

***"AN ACT CONCERNING ENHANCEMENTS TO THE CHILD
SUPPORT ENFORCEMENT SYSTEM."***

1 Strike sections 6 to 10, inclusive, in their entirety, substitute the
2 following in lieu thereof and renumber the remaining sections
3 accordingly:

4 "Sec. 6. (NEW) As used in sections 6 to 23, inclusive, of this act
5 unless the context otherwise requires:

6 (1) "Child support enforcement" means an action, conduct or
7 practice in enforcing, or in soliciting for enforcement, a child support
8 obligation, including the collection of an amount owed under a child
9 support obligation.

10 (2) "Child support obligation" means an obligation for the payment
11 of financial support for a child under an order or writ issued by a court
12 or other tribunal.

13 (3) "Obligee" means the person identified in an order for child
14 support issued by a court or other tribunal as the payee to whom an
15 obligor's amounts of ordered child support are due.

16 (4) "Obligor" means the person identified in an order for child
17 support issued by a court or other tribunal as the individual required
18 to make payment under the terms of a support order for a child.

19 (5) "Private child support enforcement agency" means any person
20 who engages in the enforcement of child support ordered by a court or
21 other tribunal for a fee or other consideration. The term does not
22 include: (A) Any public office or government agency acting under the
23 order of any court or a contractor awarded a contract to engage in
24 child support enforcement on behalf of such a government agency; or
25 (B) any member of the bar of this or another state.

26 (6) "Licensed agency" means a private child support enforcement
27 agency that is licensed by the Commissioner of Banking, as required
28 under section 8 of this act.

29 Sec. 7. (NEW) No person shall act within this state as a private child
30 support enforcement agency unless such person holds a license then in
31 force from the commissioner authorizing such person so to act. A
32 private child support enforcement agency is acting within this state if
33 it (1) has its place of business located within this state; (2) has its place
34 of business located outside this state and collects child support from
35 obligors who reside within this state for obligees who are located
36 within this state; (3) has its place of business located outside this state
37 and regularly collects child support from obligors who reside within
38 this state for obligees who are located outside this state; or (4) has its
39 place of business located outside this state and is engaged in the
40 business of collecting child support for obligees located within this
41 state from obligors who are located outside this state.

42 Sec. 8. (NEW) (a) The Commissioner of Banking shall charge each
43 applicant for a license, or renewal of a license, a nonrefundable fee of
44 five hundred dollars.

45 (b) The application fee is due on the date the applicant submits an
46 application for issuance of a license. The renewal fee is due on the date
47 a license holder submits an application to renew a license.

48 Sec. 9. (NEW) (a) An applicant for a license to conduct business in
49 this state as a private child support enforcement agency must file with
50 the commissioner an application on a form and in the manner
51 prescribed by the commissioner.

52 (b) The application must state: (1) The name of the applicant; (2) the
53 name under which the applicant is doing or intends to do business in
54 this state, if different from the applicant's name; (3) the address of the
55 applicant's principal business office, including the state, municipality,
56 and numeric street address; and (4) any Internet or other electronic
57 mail address and business telephone number of the applicant.

58 (c) The chief executive officer of the applicant agency shall state in a
59 notarized statement that the application is accurate and truthful in all
60 respects.

61 Sec. 10. (NEW) The commissioner shall require an applicant for a
62 license as a private child support enforcement agency or renewal of
63 license as a private child support enforcement agency to provide: (1) A
64 certified financial statement demonstrating the financial solvency of
65 the agency for which a license or renewal of license is sought; and (2)
66 any other information the commissioner may reasonably require the
67 applicant to provide to establish that the requirements and
68 qualifications for the issuance of a license or renewal of a license have
69 been fulfilled by the applicant.

70 Sec. 11. (NEW) (a) An application for a license to conduct business
71 in this state as a private child support enforcement agency must be
72 accompanied by a surety bond approved by the commissioner.

73 (b) The surety bond must be: (1) Issued by a surety authorized to do
74 business in this state; (2) in the amount of ten thousand dollars; (3) in
75 favor of the state for the benefit of a person damaged by a violation of

76 sections 6 to 23, inclusive, of this act; and (4) conditioned on the private
77 child support enforcement agency's compliance with requirements
78 under sections 6 to 23, inclusive, of this act, and the faithful
79 performance of the obligations under the agency's agreements with its
80 clients.

81 (c) The surety bond must be filed with and held by the
82 commissioner.

83 (d) Instead of a surety bond, the commissioner may accept a deposit
84 of money in an amount determined by the commissioner not to exceed
85 ten thousand dollars. The commissioner shall deposit any amounts
86 received under this subsection in an insured depository account
87 designated for that purpose.

88 Sec. 12. (NEW) The commissioner shall issue a license and mail the
89 license to the applicant on receipt of: (1) A completed application; (2)
90 evidence of financial solvency; (3) the surety bond or deposit of money
91 required by section 11 of this act; and (4) the required application fee.

92 Sec. 13. (NEW) A certificate holder shall notify the commissioner of
93 any material change in the information provided in an application for
94 license not later than sixty days after the date on which the information
95 changes.

96 Sec. 14. (NEW) (a) A private child support enforcement agency's
97 license expires on the third anniversary of the date of issuance.

98 (b) A license may be renewed for another three-year period.

99 Sec. 15. (NEW) A private child support enforcement agency may not
100 bring an action to enforce a child support obligation in this state unless
101 the agency is licensed to engage in business in this state as provided by
102 sections 6 to 23, inclusive, of this act.

103 Sec. 16. (NEW) (a) A licensed agency shall maintain records of all
104 child support collections made on behalf of, and disbursed to, a client
105 who is an obligee, including: (1) The name of any obligor who made

106 child support payments collected by the agency; (2) the amount of
107 support collected by the agency for each client, including: (A) The date
108 on which the amount was collected; and (B) the date on which each
109 amount due the client by the obligor was paid to the client; (3) a copy
110 of the order establishing the child support obligation under which a
111 collection was made by the agency; and (4) any other pertinent
112 information relating to the child support obligation, including any
113 case, cause or docket number of the court having jurisdiction over the
114 matter.

115 (b) The records required under this section must be updated at least
116 monthly and must be maintained by the licensed agency for a period
117 of four years from the date of the last support payment collected by the
118 agency on behalf of an obligee.

119 Sec. 17. (NEW) (a) A private child support enforcement agency
120 licensed to engage in business in this state under sections 6 to 23,
121 inclusive, of this act, shall execute a written contract for the
122 enforcement of child support for each client of the agency that is
123 residing in this state.

124 (b) The contract required under this section must: (1) Be in writing,
125 dated and signed by both parties to the contract; (2) specify its terms in
126 clear language; and (3) declare, in bold type that child support
127 enforcement services are offered by the state of Connecticut or any
128 other state at nominal cost.

129 Sec. 18. (NEW) (a) In enforcing a child support obligation, a licensed
130 agency may not use threats, coercion or attempts to coerce that employ
131 any of the following practices: (1) Using or threatening to use violence
132 or other criminal means to cause harm to an obligor or property of the
133 obligor; (2) accusing falsely or threatening to accuse falsely an obligor
134 of a violation of state or federal child support laws; (3) taking or
135 threatening to take an enforcement action against an obligor that is not
136 authorized by law; or (4) intentionally representing to a person that the
137 agency is a governmental agency authorized to enforce a child support

138 obligation.

139 (b) Subsection (a) of this section does not prevent a licensed agency
140 from: (1) Informing an obligor that the obligor may be subject to
141 penalties prescribed by law for failure to pay a child support
142 obligation; or (2) taking, or threatening to take, an action authorized by
143 law for the enforcement of a child support obligation by the agency.

144 (c) In enforcing a child support obligation, a licensed agency or
145 employee of the agency may not: (1) Identify the licensed agency by
146 any name other than one by which the agency is licensed with the
147 commissioner; (2) falsely represent the nature of the child support
148 enforcement activities in which the agency is authorized by law to
149 engage; or (3) falsely represent that an oral or written communication
150 is the communication of an attorney.

151 Sec. 19. (NEW) (a) The commissioner may suspend, revoke or refuse
152 to renew any license, in accordance with the provisions of section 36a-
153 51 of the general statutes, for any reason which would be sufficient
154 grounds for the commissioner to deny an application for a license
155 under sections 7 to 23, inclusive, of this act, or if the commissioner
156 finds that the licensee or any owner, director, officer, member, partner,
157 shareholder, trustee, employee or agency of such licensee has done any
158 of the following: (1) Made any material misstatement in the
159 application; (2) committed any fraud or misrepresentation; (3) violated
160 any of the provisions of sections 7 to 23, inclusive, of this act, or of any
161 regulations adopted pursuant thereto, or any other law or regulation
162 applicable to the conduct of its business; (4) failed to perform any
163 agreement with a client; (5) did not pay a fee or other charge imposed
164 by the commissioner; (6) failed to maintain and produce at the request
165 of the commissioner records attesting to the financial solvency of the
166 licensed agency or other business records concerning client accounts.

167 (b) The commissioner may permit a licensed agency to take an
168 appropriate action to correct a failure to comply with the requirements
169 of sections 7 to 23, inclusive, of this act and not revoke the license of

170 the agency.

171 Sec. 20. (NEW) A licensed agency does not violate the provisions of
172 sections 6 to 23, inclusive, of this act, if the action complained of
173 resulted from a bona fide error that occurred notwithstanding the use
174 of reasonable procedures to avoid the error.

175 Sec. 21. (NEW) (a) In addition to any other remedy provided by
176 applicable law, a person may bring an action for: (1) Injunctive relief to
177 enjoin or restrain a violation of sections 6 to 23, inclusive, of this act;
178 and (2) actual damages incurred as a result of a violation of the
179 provisions of sections 6 to 23, inclusive, of this act.

180 (b) A person who prevails in an action brought under this section is
181 entitled to recover court costs and reasonable attorney's fees.

182 (c) On a finding by a court that an action under this section was
183 brought in bad faith or for purposes of harassment, the court shall
184 award the defendant attorney's fees reasonably related to the work
185 performed and costs.

186 Sec. 22. (NEW) A licensed agency that is located in another state or a
187 private child support enforcement agency that engages in the business
188 of child support enforcement in this state in violation of sections 6 to
189 23, inclusive, of this act, is considered to have submitted to the
190 jurisdiction of the courts of this state with respect to an action brought
191 under sections 6 to 23, inclusive, of this act.

192 Sec. 23. (NEW) The commissioner may adopt such regulations as the
193 commissioner deems necessary to administer and enforce the
194 provisions of sections 6 to 23, inclusive, of this act."